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Zimbabwe, Republic of

Oilseeds and Products

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Report Highlights:

Zimbabwe's 2006/7 production of cottonseed and soybean increased marginally by about 1.9% to reach 210,000 MT compared to the previous season's 206,000 MT but is still short of national demand estimated at between 350,000 and 400,000MT of the two main oilseeds. Zimbabwe is a net importer of cooking oil. Currently the country is facing shortages of cooking oil but unavailability of foreign currency compromises the prospects of meeting national requirements through imports.

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Executive Summary

Zimbabwe's main oilseeds are cottonseed and soybean that are mainly grown for crushing into vegetable oil. The residue is sought after as high protein livestock feed. Peanuts are also grown mainly for peanut butter and confectionery and make no contribution to edible oil production. Sunflower production has fallen to very low levels and is currently not crushed commercially into oil because of the low production volumes. Commercial oil processors require large crop volumes for viability.

The 2006/7 production of cottonseed and soybean increased by about 1.9% to reach 210,000 MT compared to the previous season's 206,000 MT but is still short of national demand estimated at between 350,000 and 400,000 MT of the two main oilseeds.

Trade is mainly in products such as cooking oil and protein meal. Zimbabwe is a net importer of cooking oil. Currently the country is facing shortages of cooking oil but unavailability of foreign currency compromises the prospects of meeting national requirements through imports.

The main demand for protein in the animal feed sector is soybean meal particularly for dairy, poultry and pig production. Demand currently outstrips supply. The pig and poultry industries that rely heavily on soybean meal are expanding, raising the demand for soybean meal. The demand for cottonseed meal is lower and is limited by the smaller size of the commercial beef herd that has fallen drastically from approximately 1.2 million head in 2000 to an estimated 200,000 head in 2007.

Exchange Rate (Ave. for July 2007): USD1 = Z\$ 250 (official rate)
USD1 = Z\$ 250,000 (Parallel market rate)

OILSEEDS SECTION

Total Oilseeds

Production

Area planted '000 ha.	2004 (MY 05/06)	2005 (MY06/07)	2006 (MY07/08)
Cotton	390	370	350
Soybean	44	38	50
Peanuts	200	102	204
Sunflower seed	25	71	70
Total	659	581	670
Production '000MT			
*Cottonseed	115	151	136
Soybean	54	55	74
Peanuts	50	51	102
Sunflower seed	10	42	42
Total	229	299	354

*cottonseed figure is derived after removal of 41% lint and allowing for a 1% loss factor (i.e. 58% of seed cotton production)

The major oilseeds grown in Zimbabwe are cottonseed (obtained after ginning seed cotton), soybeans, peanuts and sunflower. The total area planted to oilseeds in 2006/7 season was 670,000 hectares, an increase of 89,000 hectares from the previous year's 581,000 hectares. Cotton, the major oilseed constituted 52.2%, soybeans 7%, peanuts 30.4% and sunflower 10.4% of area planted to oilseeds. The main reason for the increase was due to a marked increase in peanut production as well as a rise in soybean production following attractive prices realized for the previous season's crop.

The total oilseed production (cottonseed and soybean) in 2007 is estimated at 210,000 MT a marginal increase (1.9%) from 206,000 MT in 2006. Cottonseed is the main oilseed accounting for 38% of oilseed production. The crop is mainly grown by small scale farmers who are given inputs support by the ginners. Peanut production also increased substantially. However, peanuts are predominantly grown for peanut butter and confectionery and make no contribution to edible oil production. Soybean production remained fairly stable from the previous season but is still short of local demand. With the exception of soybeans, small-scale farmers produce the bulk of oilseeds in Zimbabwe.

Crops planted in the 2006/7 season suffered from a late start to the rainfall season and the El-Nino induced drought that affected most parts of Zimbabwe, particularly areas to the south of Harare. Cotton is grown in the drier parts of the country and this season's production was affected by drought more than soybeans whose main production area was in the wetter northern parts of the country. Seed cotton production for the 2006/7 season reached 151,000 MT due to the effects of the drought.

Oilseeds, Cotton

PSD Table

Country Zimbabwe

Commodity Oilseed, Cottonseed

(1000 HA)(RATIO)(1000 MT)

	2005 Revised			2006 Estimate			2007	Forecast	UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin	04/2006	04/2006	04/2006	04/2007	04/2007	04/2007	04/2008	04/2008	MM/YYYY
Area Planted (Cotton)	400	0	370	400	0	350	400	0	370 (1000 HA)
Area Harvested (Cotton)	350	0	370	390	0	350	390	0	370 (1000 HA)
Seed to Lint Ratio	0	0	0	0	0	0	0	0	0 (RATIO)
Beginning Stocks	0	0	0	0	0	0	0	0	0 (1000 MT)
Production	194	0	151	200	0	136	200	0	190 (1000 MT)
MY Imports	0	0	0	0	0	0	0	0	0 (1000 MT)
MY Imp. from U.S.	0	0	0	0	0	0	0	0	0 (1000 MT)
MY Imp. from EU	0	0	0	0	0	0	0	0	0 (1000 MT)
Total Supply	194	0	151	200	0	136	200	0	190 (1000 MT)
MY Exports	20	0	0	19	0	0	19	0	0 (1000 MT)
MY Exp. to EU	0	0	0	0	0	0	0	0	0 (1000 MT)
Crush	160	0	136	164	0	121	164	0	175 (1000 MT)
Food Use Dom. Cons.	0	0	0	0	0	0	0	0	0 (1000 MT)
Feed Waste Dom. Cons.	14	0	15	17	0	15	17	0	15 (1000 MT)
Total Dom. Cons.	174	0	151	181	0	136	181	0	190 (1000 MT)
Ending Stocks	0	0	0	0	0	0	0	0	0 (1000 MT)
Total Distribution	194	0	151	200	0	136	200	0	190 (1000 MT)
CY Imports	0	0	0	0	0	0	0	0	0 (1000 MT)
CY Imp. from U.S.	0	0	0	0	0	0	0	0	0 (1000 MT)
CY Exports	0	0	0	0	0	0	0	0	0 (1000 MT)
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0 (1000 MT)

Oilseeds, soybean

PSD Table

Country	Zimbabwe								
Commodity	Oilseed, Soybean								
	2005 Revised			2006 Estimate			(1000 HA)(1000 MT)		UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin	04/2006	04/2006	04/2006	04/2007	04/2007	04/2007	04/2008	04/2008	MM/YYYY
Area Planted	80	0	38	80	0	50	80	0	80 (1000 HA)
Area Harvested	50	0	38	75	0	50	75	0	80 (1000 HA)
Beginning Stocks	8	0	8	0	0	8	0	0	8 (1000 MT)
Production	55	0	55	75	0	74	75	0	80 (1000 MT)
MY Imports	1	0	0	0	0	0	0	0	0 (1000 MT)
MY Imp. from U.S.	0	0	0	0	0	0	0	0	0 (1000 MT)
MY Imp. from EU	0	0	0	0	0	0	0	0	0 (1000 MT)
Total Supply	64	0	63	75	0	82	75	0	88 (1000 MT)
MY Exports	0	0	0	0	0	0	0	0	0 (1000 MT)
MY Exp. to EU	0	0	0	0	0	0	0	0	0 (1000 MT)
Crush	60	0	45	72	0	64	72	0	68 (1000 MT)
Food Use Dom. Cons.	3	0	9	2	0	9	2	0	11 (1000 MT)
Feed Waste Dom. Cons.	1	0	1	1	0	1	1	0	1 (1000 MT)
Total Dom. Cons.	64	0	55	75	0	74	75	0	80 (1000 MT)
Ending Stocks	0	0	8	0	0	8	0	0	8 (1000 MT)
Total Distribution	64	0	63	75	0	82	75	0	88 (1000 MT)
CY Imports	0	0	0	0	0	0	0	0	0 (1000 MT)
CY Imp. from U.S.	0	0	0	0	0	0	0	0	0 (1000 MT)
CY Exports	0	0	0	0	0	0	0	0	0 (1000 MT)
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0 (1000 MT)

Soybean production declined rapidly after the launch of the land reform program in 2000. In 2000, the country produced 170,000MT of soybeans and earned about US\$6 million from the export of 30,000MT of the crop. Following the displacement of large scale white commercial farmers who were the major growers, production dropped to 70,000MT in 2002 and 55,000MT in 2005/6. Production is expected to rise to 74,000MT in 2006/7 due to renewed interest by the resettled farmers after attractive prices that the crop fetched last season. Stimulation of soybean production is also due to the high domestic demand and improved production knowledge, as the newly resettled farmers get more accustomed to growing the crop.

Consumption

The larger proportion of cottonseed and soybeans are crushed, with only small quantities retained for seed. In order to be self-sufficient in cooking oil with national demand is currently estimated at 60,000 to 70,000MT, the country's consumption of these two oilseeds

would be between 350,000MT to 410,000MT. The current production of 206,000MT falls short of national requirements.

Cottonseed yield (produced after ginning seed cotton) is estimated at 58% of seed cotton. The annual seed requirement is estimated at 25,000MT seed cotton or 15,000MT ginned seed. Apart from the quantity set aside for seed, all the cottonseed is consumed domestically where it is crushed for oil.

Peanuts are sold in three forms as fresh, dried shelled or dried unshelled. The bulk of peanuts are processed into peanut butter at either the household level or commercially. No oil is extracted from peanuts in Zimbabwe. Farmers retain their own seed for the following season's production.

Soybean is mainly produced for oil extraction, with very little being for human consumption. The annual domestic requirement for soybeans is about 180,000 MT. Soybean seed requirement is estimated at 10,000 MT. An estimated 12,000 MT of soybeans are used annually for human consumption, mainly in the fortification of foods by food processors. The domestic demand for soybeans far exceeds supply and the resultant shortfall is normally met through the imports of soybeans and soybean oil from other countries, foreign currency permitting.

Trade

Trade in oilseeds is very limited. The country used to import between 15,000 to 20,000MT soybeans annually but has been unable to do so in the last three years due to a persistent shortage of foreign currency.

MEALS SECTION

Total meals

Production

Crushing '000MT	2005 (MY 05/06)	2006 (MY06/07)	2007 (MY07/08)
*Cottonseed	100	136	121
**Soyabeans	44	45	64
Total	144	181	185
Meal production (MT)			
Cottonseed	44	60	54
Soybean meal	35	36	51
Total	79	96	105

* This figure excludes the national seed requirement of 15,000MT

** This figure excludes the national seed requirement of 10,000MT

PSD Table

Country	Zimbabwe								
Commodity	Meal, Cottonseed								
	(1000 MT)			(PERCENT)			UOM		
	2005 Revised	2006	Estimate	2007	Forecast				
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin	04/2006	04/2006	04/2007	04/2007	04/2008	04/2008	MMYYYY		
Crush	160	0	136	164	0	121	164	0	175 (1000 MT)
Extr. Rate, 999.9999	0.4375	0.4411	0.4451	0.4451	0.4462	0.4451	0.4451	0.4057	14 (PERCENT)
Beginning Stocks	0	0	0	0	0	0	0	0	0 (1000 MT)
Production	70	0	60	73	0	54	73	0	71 (1000 MT)
MY Imports	0	0	0	0	0	0	0	0	0 (1000 MT)
MY Imp. from U.S.	0	0	0	0	0	0	0	0	0 (1000 MT)
MY Imp. from EU	0	0	0	0	0	0	0	0	0 (1000 MT)
Total Supply	70	0	60	73	0	54	73	0	71 (1000 MT)
MY Exports	25	0	0	35	0	0	35	0	0 (1000 MT)
MY Exp. to EU	0	0	0	0	0	0	0	0	0 (1000 MT)
Industrial Dom. Cons.	0	0	0	0	0	0	0	0	0 (1000 MT)
Food Use Dom. Cons.	0	0	0	0	0	0	0	0	0 (1000 MT)
Feed Waste Dom. Cons.	45	0	60	38	0	54	38	0	71 (1000 MT)
Total Dom. Cons.	45	0	60	38	0	54	38	0	71 (1000 MT)
Ending Stocks	0	0	0	0	0	0	0	0	0 (1000 MT)
Total Distribution	70	0	60	73	0	54	73	0	71 (1000 MT)
CY Imports	0	0	0	0	0	0	0	0	0 (1000 MT)
CY Imp. from U.S.	0	0	0	0	0	0	0	0	0 (1000 MT)
CY Exports	0	0	0	0	0	0	0	0	0 (1000 MT)
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0 (1000 MT)
SME	36.4635	0	48.618	30.7914	0	43.7562	30.7914	0	57.5313 (1000 MT)

PSD Table

Country	Zimbabwe								
Commodity	Meal, Soybean								
	(1000 MT)			(PERCENT)					
	2005 Revised	2006	Estimate	2007	Forecast				UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin	04/2006	04/2006	04/2007	04/2007	04/2008	04/2008	MM/YYYY		
Crush	60	0	45	72	0	64	47	0	68 (1000 MT)
Extr. Rate, 999.9999	0.783333	0	0.8	0.791667	0	0.796875	1.212766	0	0.823529 (PERCENT)
Beginning Stocks	0	0	0	0	0	0	0	0	0 (1000 MT)
Production	47	0	36	57	0	51	57	0	56 (1000 MT)
MY Imports	0	0	0	0	0	0	0	0	0 (1000 MT)
MY Imp. from U.S.	0	0	0	0	0	0	0	0	0 (1000 MT)
MY Imp. from EU	0	0	0	0	0	0	0	0	0 (1000 MT)
Total Supply	47	0	36	57	0	51	57	0	56 (1000 MT)
MY Exports	0	0	0	0	0	0	0	0	0 (1000 MT)
MY Exp. to EU	0	0	0	0	0	0	0	0	0 (1000 MT)
Industrial Dom. Cons.	0	0	0	0	0	0	0	0	0 (1000 MT)
Food Use Dom. Cons.	0	0	0	0	0	0	0	0	0 (1000 MT)
Feed Waste Dom. Cons.	47	0	36	57	0	51	57	0	56 (1000 MT)
Total Dom. Cons.	47	0	36	57	0	51	57	0	56 (1000 MT)
Ending Stocks	0	0	0	0	0	0	0	0	0 (1000 MT)
Total Distribution	47	0	36	57	0	51	57	0	56 (1000 MT)
CY Imports	0	0	0	0	0	0	0	0	0 (1000 MT)
CY Imp. from U.S.	0	0	0	0	0	0	0	0	0 (1000 MT)
CY Exports	0	0	0	0	0	0	0	0	0 (1000 MT)
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0 (1000 MT)
SME	47	0	36	57	0	51	57	0	56 (1000 MT)

The annual oilseed crush currently consists of cottonseed and soybeans. A larger proportion of the cottonseed and soybean are crushed and only small quantities are retained for seed and in the case of soybean for human consumption as well. Once oil is extracted, a dry high protein meal remains and this is used as stock-feed. No peanuts and sunflower are crushed commercially for oil. The decline in sunflower production resulted in oil crushers suspending crushing of the oilseed.

The total crushing capacity in Zimbabwe is estimated at 500,000MT/annum, constituted as follows: 300,000MT for cottonseed and 200,000MT for soybeans. Crushing capacity has increased from 170,000MT in 2004 to 206,000MT in 2006/7 after 5 new crushing plants were commissioned in the country over the last three years. Soybean crushing yields 18% oil and 80% cake whilst cottonseed crushing yields 17% oil and 46% cake respectively. The cake extract from the oil processing has high protein concentration and is a key input used in the production of livestock feed.

Currently demand exceeds supply. Poultry and pig production have become increasingly popular for many newly resettled farmers as they offer a quicker way of realizing income.

They also suit the new smaller farm sizes that are now in the majority following the land reform program. A growing number of producers have come into the sectors, raising the demand for soybean meal.

Cottonseed meal is also high in protein (38-42%) and is used in the manufacture of stock-feeds for ruminants, particularly beef cattle. Overall, cottonseed protein meal demand has declined as a result of the demise of feed lots after the displacement of a large percentage of large commercial farmers. The size of the commercial beef herd has fallen drastically from approximately 1.2 million head in 2000 to an estimated 200,000 head. This has resulted in a reduction in domestic demand of cottonseed meal.

There is a high demand for soybean meal as it is high in protein and supports the poultry, dairy and pig feed due to its high protein (44%-46% minimum) content.

Consumption

Before the land reform demand for cottonseed meal was estimated at about 90,000MT per annum. Now demand has fallen to an estimated 70,000MT mainly as a result of the diminished commercial beef herd. The land reform exercise resulted in some farms being subdivided into smaller farm units and this forced farmers to de-stock in line with the smaller land available. The other reasons for the fall in demand is the high cost of feeds and that most of the newly resettled farmers are not accustomed to supplementary feeding.

Demand for soybean meal is estimated at 150,000MT. Currently demand outstrips supply. The commercial chicken producers are currently contracting growers to produce barley for stock-feed to augment the shortage of soybean meal. The high demand is due to the increase in pig and poultry production as they offer quick returns and are thus more lucrative. Also, poultry and pig production are not constrained by the smaller farm sizes following the land reform program.

OILS SECTION

Total plant oils

Crushing '000MT	2005 (MY 05/06)	2006 (MY06/07)	2007 (MY07/08)
Cottonseed	100	136	121
Soyabeans	44	45	64
Total	144	181	185
Oil production (MT)			
Cottonseed	17	23	21
Soybean	8	8	12
Total	25	31	33

*This figure excludes the national seed requirement of 15,000MT

** This figure excludes the national seed requirement of 10,000MT

PSD Table

Country	Zimbabwe								
Commodity	Oil, Cottonseed								
	(1000 MT)			(PERCENT)					
	2005 Revised	2006	Estimate	2007	Forecast				UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin	04/2006	04/2006		04/2007	04/2007		04/2008	04/2008	MM/YYYY
Crush	160	0	136	164	0	121	164	0	160 (1000 MT)
Extr. Rate, 999.9999	0.15625	0	0.169118	0.152439	0	0.173554	0.152439	0	0.175 (PERCENT)
Beginning Stocks	0	0	0	0	0	0	0	0	0 (1000 MT)
Production	25	0	23	25	0	21	25	0	28 (1000 MT)
MY Imports	1	0	0	0	0	0	0	0	0 (1000 MT)
MY Imp. from U.S.	0	0	0	0	0	0	0	0	0 (1000 MT)
MY Imp. from EU	0	0	0	0	0	0	0	0	0 (1000 MT)
Total Supply	26	0	23	25	0	21	25	0	28 (1000 MT)
MY Exports	0	0	4	4	0	4	4	0	4 (1000 MT)
MY Exp. to EU	0	0	0	0	0	0	0	0	0 (1000 MT)
Industrial Dom. Cons.	0	0	0	0	0	0	0	0	0 (1000 MT)
Food Use Dom. Cons.	26	0	19	21	0	17	21	0	24 (1000 MT)
Feed Waste Dom. Cons.	0	0	0	0	0	0	0	0	0 (1000 MT)
Total Dom. Cons.	26	0	19	21	0	17	21	0	24 (1000 MT)
Ending Stocks	0	0	0	0	0	0	0	0	0 (1000 MT)
Total Distribution	26	0	23	25	0	21	25	0	28 (1000 MT)
CY Imports	0	0	0	0	0	0	0	0	0 (1000 MT)
CY Imp. from U.S.	0	0	0	0	0	0	0	0	0 (1000 MT)
CY Exports	0	0	0	0	0	0	0	0	0 (1000 MT)
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0 (1000 MT)

PSD Table

Country	Zimbabwe								
Commodity	Oil, Soybean								
	(1000 MT)			(PERCENT)					
	2005 Revised	2006	Estimate	2007	Forecast				UOM
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New
Market Year Begin	04/2006	04/2006		04/2007	04/2007		04/2008	04/2008	MM/YYYY
Crush	60	0	45	72	0	64	72	0	70 (1000 MT)
Extr. Rate, 999.9999	0.183333	0	0.177778	0.180556	0	0.1875	0.180556	0	0.185714 (PERCENT)
Beginning Stocks	10	0	7	7	0	4	4	0	1 (1000 MT)
Production	11	0	8	13	0	12	13	0	13 (1000 MT)
MY Imports	2	0	1	1	0	1	1	0	1 (1000 MT)
MY Imp. from U.S.	0	0	0	0	0	0	0	0	0 (1000 MT)
MY Imp. from EU	0	0	0	0	0	0	0	0	0 (1000 MT)
Total Supply	23	0	16	21	0	17	18	0	15 (1000 MT)
MY Exports	0	0	0	0	0	0	0	0	0 (1000 MT)
MY Exp. to EU	0	0	0	0	0	0	0	0	0 (1000 MT)
Industrial Dom. Cons.	0	0	0	0	0	0	0	0	0 (1000 MT)
Food Use Dom. Cons.	16	0	12	17	0	16	17	0	15 (1000 MT)
Feed Waste Dom. Cons.	0	0	0	0	0	0	0	0	0 (1000 MT)
Total Dom. Cons.	16	0	12	17	0	16	17	0	15 (1000 MT)
Ending Stocks	7	0	4	4	0	1	1	0	0 (1000 MT)
Total Distribution	23	0	16	21	0	17	18	0	15 (1000 MT)
CY Imports	2	0	1	1	0	1	1	0	1 (1000 MT)
CY Imp. from U.S.	0	0	0	0	0	0	0	0	0 (1000 MT)
CY Exports	0	0	0	0	0	0	0	0	0 (1000 MT)
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0 (1000 MT)

Production

The availability of raw materials for cooking oil production is dependent on the nature of the season. A good season usually results in more availability of cottonseed and soybeans.

Due to supply-side bottlenecks, current oil production, at about 31,000 MT in 2006/7 falls short of domestic needs. Oil crushers are operating well below capacity owing to raw material shortages. Cooking oil is a price-monitored product whose price cannot be increased before consultation with the government. Prices of cooking oil set by government, often below cost of production, have also contributed to the shortfall in domestic production as they undermine the viability of processing.

Most table oils sold in Zimbabwe are blends of soybean and cottonseed oil. The persistent shortage of soybeans has resulted in the production and marketing of cooking oil made purely from cottonseed starting in 2007.

The crushing yields are 18% oil for soybeans and 17% oil for cottonseed.

Consumption

The domestic demand for oil was estimated at about 90,000 MT in 2000 but has fallen to between 60,000 and 70,000MT. The main reasons for the decline are the limited availability of the commodity due to a decrease in domestic production of oilseeds (particularly soybeans) and shortage of foreign currency to import. The fall in disposable income due to the hyper-inflationary conditions affecting the country has also reduced consumption. The oil extracted from locally grown oilseeds is estimated at about 40,000MT. The shortfall in local demand of between 20,000 to 30,000MT must be met through imports, but the country is facing serious foreign currency constraints. Currently there is a shortage of cooking oil and the commodity is not readily available in retail outlets. It is found on the parallel market at high prices and is imported informally from South Africa and Botswana.

Local paint manufacturers also use sunflower oil in the manufacture of oil paints and consume about 50MT oil per month.

Trade

Since 2006, the country has been largely dependent on table oil imports mainly from South Africa. In 2006 the country imported 8,167MT of sunflower oil from South Africa after 10,823MT were imported in 2005. This year imports may be seriously constrained by the shortage of foreign currency affecting the country.